

*BEST COPY
Available*

Ambassador Teodor Moscoso Director of "Alliance for Progress Program"

Your Excellency:

The designation of Dr. Felipe Pazos to one of the highest positions in the organization which you provide, has caused amazement — we could even say consternation — among the undersigned. None of us here ever participated in Cuban politics and without fear of contradiction, we affirm that this feeling is shared by the majority of the Cuban people. We are aware that neither you nor those responsible for the appointment of Dr. Pazos know the unadulterated facts of his background. Naturally, the Cubans are the seers of his public life since the early 1940's, at which time he entered public service of Cuba in the government of the then President Fulgencio Batista.

Dr. Pazos has been a good student and, recommended by one of his University professors, he attained a modest post in the office of the Prime Minister.

After a short period in this position, on the recommendation of the then Cuban Ambassador to Washington, the late Dr. Amelio Fernandez Concha, he was appointed Commercial Attache at that Embassy, which post he held throughout the Batista Administration (1940-44) and continued in this capacity during the Administration of Dr. Grau San Martin. In 1948 his University fellow-student and personal friend, Dr. Carlos Prío Socarras, was elected President of the Republic and subsequently during his Administration Congress enacted the Law creating the National Bank of Cuba. Dr. Pazos was named President (appointed by President Prío) of this new organization. This appointment was received with amazement, as there was no background in Dr. Pazos' life to warrant it. He had no banking nor commercial experience, nor had he ever acquired a reputation in positions of minor importance to justify such a designation, which requires some technical knowledge. Only Dr. Prío's friendship and patronage could possibly explain such an extraordinary and unusual prominent assignment.

One could say, if we adhere to the truth, that Dr. Pazos simply became stagnant in the position, that he was neither good nor bad, had it not been because immediately preceding the time he was President of the National Bank under the Administration of his patron, President Prío, there occurred one of the most scandalous affairs in the administrative history of our country. The Ministry of the Treasury announced that it had burned more than 12,000,000 Cuban pesos — at that time at par with the U.S. dollar — which destruction never took place but, instead, this money was put into circulation again.

The National Bank and its President, Dr. Pazos, were fully aware of this fact. In truth, all Cuba knew about it, but as the organization directly responsible for the Cuban monetary system, the National Bank and its President could not possibly have ignored this. The clear and unequivocal duty of Dr. Pazos was to denounce this fact publicly and carry the matter to the courts. By his passive attitude, there is no doubt that he shared the responsibility in this scandalous affair. He followed this course, for the parent reasons of his own, and decided to cover up the flaming Cuban of the law, which course of action jeopardized the entire Cuban monetary system, the stability and preservation of which was in his hands.

On March 14, 1950, General Fulgencio Batista took the reins of the government from Dr. Prío through a military coup. Dr. Pazos then voluntarily resigned his post which was, according to the law that created his assignment, absolutely non-political, and entered the fields of economy and law. Dr. Pazos did not meet with outstanding success in these ventures, but at long last made a lucrative connection with the Record firm.

During 1957 Dr. Pazos began to conspire within the 26th of July Movement, whose leader was Fidel Castro. His mission was to recruit and serve as Treasurer of that organization. He, as well as other outstanding members of the Movement, raised money for Castro's revolution. One day he decided to join Fidel in the Sierra Maestra Mountains and while there, he collaborated in an economic program which was published throughout Cuba. However, the rugged life of the mountains was not for an intellectual and Felipe Pazos had to leave the Sierra. A long-standing friend and protector, who was at that time a member of President Batista's Cabinet, helped him to flee Cuba.

During his exile in Miami he continued working for the 26th of July Movement. He was one of its representatives in the Unity Pact signed in Miami with other revolutionary sectors. For reasons which Castro explained in his harangue of December 1, 1961, or for other reasons — since we cannot trust Fidel's statements — the truth of the matter is that Castro revealed Dr. Pazos' and his colleagues' authorization and refused to comply with the agreements reached with other sectors.

From that time until the fall of the Batista government, Dr. Pazos continued to be obedient but without abandoning, at least publicly or officially, the 26th of July Movement.

Upon the fall of the Batista government in January, 1959, Dr. Pazos was again designated President of the National Bank by the revolutionary government of Cuba, as a reward for his services to the cause.

No sooner had he taken office, than Dr. Pazos took steps that would affect the Cuban banking credit for many years to come. On January 6, 1959, he "froze" all savings and checking accounts and sealed all the safe-deposit boxes, sometimes simply by telephone or telephone, flagrantly disregarding accepted judicial proceedings. The justification of these measures, he declared, was to prevent the officials of the false regime from exporting ill-gotten monies and thus recover them for Cuba. There is no doubt that some of the "frozen" and later confiscated funds were illegotten by certain officials of the Batista regime, but apart from the fact that the money was only against monies obtained during the government of Batista (and not against those who enriched themselves in other governments, which was unjust and discriminatory) the seriousness of the matter consisted in that the confidence in the banks was undermined for many years in exchange for recovering only a few million pesos. On the other hand, the pains for the Revolution were not remotely in proportion with the harm inflicted on the credit of the country, something that could not have been ignored by Dr. Pazos, as an economist and President of the National Bank.

Another duty of the National Bank was to safeguard the monetary system of the country and the value of the peso. With the full approval of Dr. Pazos as President of the Bank, Law 361 was enacted January 26, 1959 compelling all exporters to deliver all their foreign exchange to the National Bank. Shortly thereafter, it was started increasing the amount of money issued and the value of the peso fell heavily. When Dr. Pazos was appointed President of the Bank by Fidel Castro, the peso was at a par with the dollar; when he was fired in November, 1960, the rate was three pesos for a dollar.

Immediately after, there came the radical measures which, incidentally, formed the base of the Communist Regime in Cuba, such as the suppression of the word "God" in the Constitution and oath of officers, retroactivity of the new severe penal laws, constitutional reforms authorizing the confiscation of private property through administrative decrees without judicial intervention, Agrarian and Urban Reforms, etc., etc.

Dr. Pazos took all of this in his stride and remained in his post as President of the National Bank until November, 1960 at which time he was removed by the government. He then accepted the position of Economic Ambassador to Europe with a substantial salary and expense account, and in this post he remained until August 15, 1962, the date the decree was published in the Official Gazette announcing his discharge.

Before he was dismissed, several old friends and colleagues approached him urging him to resign his post in Castro's government. Notwithstanding the fact that the communist nature of the regime was then evident to the most ignorant persons, not to say an economist, he refused to resign, claiming that he had received great popular support.

This is a resume of the background which has been compiled from well known facts of the man chosen to participate in the

knowledge in the business world, his support of the Castro regime until a very late date, this appointment is unfortunate and regrettable.

Dr. Pazos' appointment would not be conducive to the re-establishment of cordial relations when the time comes that Cuba is liberated from the yoke of Fidel Castro and Communism.

To the American taxpayer, there is another angle which may interest him with regard to Dr. Pazos' appointment: We refer to his support and relations with a staunch and openly declared enemy of the United States of America since the very first days of the Castro government.

During the time that Felipe Pazos was President of the National Bank for the second time and Economic Ambassador of Cuba to Europe, the most insulting and slanderous statements were made by members of the Cuban government against the United States. This began with the ending of the American Military Mission. They became worse during the so-called bombardment of Havana at the time Major Diaz Lanz flew over the city dropping counter-revolutionary pamphlets, and even much worse at the time of the explosion of the French S.S. "Le Concorde".

Furthermore, no one ever heard Dr. Pazos voice protest against these slanderous campaigns, nor did he ever take his conformity towards it.

But it was not only insults and calumnies that were hurled by the Castro government at the United States of America during that time. The regime often took measures of confiscation and de-nationalization against American interests.

Dr. Felipe Pazos was dismissed from his post as Economic Ambassador to Europe by Castro's government by Decree No. 233 on August 8, 1960. Long before that date Castro had increased, confiscated in all practical effects, Delicias and Chaparral sugar mills owned by the Cuban American Sugar Company, as well as the Standard Oil Refinery in Havana and that of the Texaco Company in the city of Santiago de Cuba. In May, 1960, by Law 122, the Telephone Company was practically confiscated.

On July 6, 1960 the Castro communist regime dictated Law No. 851, published in the Official Gazette of July 7, 1960, whose first WHEREAS we literally copy:

"WHEREAS: The attitude adopted by the Government and Congress of the United States of America is of continuous aggression, with political aims, to the fundamental interests of Cuban economy, emphatically obvious by the amendment of the Sugar Law recently passed by the Congress of said country, at the request of the Executive Power, by which the President is authorized to reduce in the World Market their quota of Cuban sugar, as a political weapon against Cuba, which compels the Revolutionary Government to approve, with the best of the national interests and of the free economic development of our country."

In the mandatory part of the Law it was established "Article First — The President of the Republic and the Prime Minister are hereby jointly authorized to nationalize by resolutions, through compulsory appropriation and when they deem it convenient for the defense of the national interests, the properties or enterprises pertaining to United States national or juridical persons in the enterprises in which such persons may have an interest or participation, even though said enterprises were constituted in accordance with Cuban laws."

In the face of this attack in U. S. interests, Dr. Felipe Pazos, Economic Ambassador to Europe representing that very government, remained silent and continued to collect his fees.

In compliance with said law a resolution was passed which in effect expropriated the properties of the following North American companies:

Compañía Cubana de Electricidad	Compañía Azucarera Soledad, S. A.
Compañía Cubana de Telefonos	Cuban Trading Company
Esso Standard Oil, S. A.	Central Canagua, S. A.
Texas Company, West Indies, Ltd.	Compañía Azucarera Atlántica del Golfo
Nacional Cuba Oil Co., S. A.	Compañía Central Alagracas, S. A.
The Cuban American Sugar Mill Co.	Miranda Sugar Estates, Compañía Cubana, S. A.
The New Technica Sugar Co.	Compañía Azucarera Grapes, Punta Alegre Sugar Sales Company
The Francisco Sugar Company	Florida Industrial Corporation of New York
Burgess Industrial Corporation of New York	General Sugar Estates
Macarona Industrial Corporation of New York	Guantanamo Sugar Company
Compañía Azucarera Vertices-Carnagay de Cuba	United Fruit Company
	Central Eximia, S. A.

WE ASK THE AMERICAN TAXPAYERS: DO YOU AGREE THAT THE 20 BILLION DOLLARS WHICH YOU ARE GOING TO PAY TOWARDS THE ALLIANCE FOR PROGRESS PROGRAM SHOULD BE ADMINISTERED BY A MAN SUCH AS DR. FELIPE PAZOS, WHO HAS SHARED WITH FIDEL CASTRO'S GOVERNMENT THE RESPONSIBILITY OF CONFISCATORY MEASURES INFLICTED ON CITIZENS OF THE UNITED STATES?

Isla Ortiz — Mercedes Menocal de Hernandez — Leticia de Arriba — Amalia Recard — Elvira Gomez Mena — Margarita Roldan de Arreaza — Victor G. Mendez Estela de Cardenas de Mendosa — Lydia Cabrera Ribes — Graciela del Portillo Ernestina Serra de Sanchez.

Jose A. Greco — Jose A. Castellanos — Juan de la Camara — Gloria Erdman de Joarero — Pilar Ponce de Valiente — Carlos M. Calvet — Maria Teresa Collazo — Maria Julia de Cardenas — Manuel Chica y Recio de Morales — Maria Luisa Morales — A. Menzies — Leopoldo Aguilera — Josefina de Cardenas de Arallano — Manuel Diaz — Haydee Camacho de Diaz — Hortensia de Cardenas de Valdes.

A. Maria — Francisco Juarez — Alicia Valente de Juarez — Virginia Echever de Corporella — Roldana Narganes de Toro — Arturo Torro Jr. — Luis V. Alacran — Gloria Lorenza — Pedro Menocal — Adela de la Campa — Alfredo Escarpenter — Manuel Felipe Camacho — Rolando Coll Vela de Narganes — Fulgencia Rodriguez — Juanita Gonzalez de Coll — Mercedes Gonzalez Llorente — Francisco Garcia Melillo — Leonor Coll — Maria Pesant.

Diego Carr Real — Esther Aguilera Ortiz — Fernando Cabada — Vivian Coll — Julia Narganes — Fernando Cabada — Wilfredo Brito Jr. — Adriana A. Lantier — Millie Pesant — Rosario Camacho de Calderon — Angel Goldstein — Fabala de Coll — Blanca E. Del Sol — Alicia Camacho — Ofelia de Soto — Jaime Coll Jr. — Silvia Sanchez — Alfredo Diaz — Carmen Perez.

Maria Soto — Lema E. Ewerpenter — Carlos M. Rodado — Extralita Castro — Julia Perez Diaz de Ponce — Fely de Castro — Juan Vega — Loly Fernandez de Cardenas — Eduardo Whitehouse — Loly San Pedro — Lourdes A. Castellano — Edwanda Castellano — Ofelia Arreaza — Ofelia Aguilera — Maria Luisa M. de Arguelles — Jose Serra — Maria Inna — Ticky Sampson — Angel Lopez.

Fernando Arguelles — Juan Montalvo — Hilba Sanchez de Montalvo — Luis M. Rojas — Manuel Mateo — Retha Diaz Villa real — Maria Teresa Rojas — Alberto Farinas — Gortazo Ponce — Jose A. Torres — Maria Luisa Herdich — Norma Gonzalez — Maria Inna.

Ana Maria pedron — Loly Suarez — Maria de Armas — Pedro Requena — Edelmira San Pedro — Enrique Urdine — Consuelo Alvarado — Ofelia de Soto — Maria Inna — Ticky Sampson — Angel Lopez.